



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH, DEVELOPMENT AND ACQUISITION
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MEMORANDUM FOR DISTRIBUTION

Subj: SUSPENSION OF THE PRICE EVALUATION ADJUSTMENT FOR SMALL
DISADVANTAGED BUSINESSES

Encl: (1) OUSD DP(DAR) memo dtd January 25, 1999

Enclosure (1) is forward for your information and immediate implementation, as appropriate. It suspends the use of the price evaluation adjustment for small disadvantaged businesses (SDBs) in DoD procurement as prescribed in the Federal Acquisition Regulation (FAR), Subpart 19.11. This suspension applies to all solicitations issued during the period from February 24, 2000, to February 23, 2001.

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ACQUISITION AND
TECHNOLOGY

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

January 25, 2000

In reply refer to
DAR Tracking Number: 2000-00001

DP (DAR)

MEMORANDUM FOR DIRECTORS OF DEFENSE AGENCIES
DEPUTY FOR ACQUISITION AND BUSINESS MANAGEMENT,
ASN(RD&A)/ABM
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING), SAF/AQC
DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT)
EXECUTIVE DIRECTOR FOR PROCUREMENT MANAGEMENT (DLSC/DLA)

SUBJECT: Suspension of the Price Evaluation Adjustment for Small
Disadvantaged Businesses

Effective 30 days after the date of this memorandum, all
Department of Defense (DoD) contracting activities shall suspend the
use of the price evaluation adjustment for small disadvantaged
businesses (SDBs) in DoD procurements, as prescribed in the Federal
Acquisition Regulation (FAR), Subpart 19.11.

Subsection 2323(e) of title 10, United States Code (USC), as
amended by Section 801 of the Strom Thurmond National Defense
Authorization Act for Fiscal Year 1999, prohibits DoD from exercising
the authority for a price exceeding fair market cost if the Secretary
determines at the beginning of the fiscal year that DoD achieved the
5 percent goal established by subsection 2323(a) in the most recent
fiscal year for which data are available. The determination has been
made that in fiscal year 1999 DoD exceeded the 5 percent goal
established in 10 USC 2323(a) for contract awards to SDBs.
Accordingly, use of the price evaluation adjustment prescribed in FAR
19.11 is suspended for DoD.

This suspension applies to all solicitations issued during the
period from February 24, 2000, to February 23, 2001.

R.D. Kerrins, Jr.
Colonel, USA
Acting Director, Defense Procurement

cc: DSMC, Ft. Belvoir

ENCLOSURE(1)

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